



NATIONAL RAILWAY UTILIZATION CORP.
P.O. Box 216 / 402 Cedar Rock Street / Pickens, South Carolina 29671 / (803) 878-3581 • 859-1400

RECORDATION NO. *9129-A* FEB 14 1988

January 25, 1988

JAN 27 1988 - 11 - AM

INTERSTATE COMMERCE COMMISSION

DATE *1-27-88*
FEB 8 *10:00*
ICC Washington, D. C.

Interstate Commerce Commission
12th & Constitution Avenues, NW
Washington, DC 20423

Attention: Ms. Lee, Room 2303

Dear Ms. Lee:

Enclosed herewith is the original and a counterpart of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

This document is a Security Agreement between Citizens and Southern Trust Company (South Carolina), N. A. and Carolina First Bank. The primary document to which this is connected is recorded under Recordation No. 9129.

The names and addresses of the parties to the documents are as follows: (1) Citizens and Southern Trust Company (South Carolina), N. A., Dept. 5048, P. O. Box 727, Columbia, S. C. 29222-5084; and (2) Carolina First Bank, P. O. Box 1209, Greenville, S.C. 29602.

The description of the equipment covered by this document is twenty-eight 70-ton 50' 6" boxcars bearing markings: NSL102278; NSL102279; NSL102284; MISS102281; MISS102295; WLO502800; WLO502825; WLO502826; WLO502873; PAL701131; PAL701145; ICG501574; ICG501575; ICG501646-501660 inclusive.

A fee of \$10.00 is enclosed. Please return the original document to William W. Kehl, Esquire, Post Office Box 10207, Greenville, South Carolina, 29603, with the recording certification data stamped thereon.

Very truly yours,

John A. Mariscotti
John A. Mariscotti
President

Enclosures

215 569 2220

Counterpart - Reps. M. Lee

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

William W. Kehl, Esq.
P. O. Box 10207
Greenville, SC 29603

Dear

^{Sir}
The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/27/88 at 11:30AM, and assigned recordation number(s). 9129-A

Sincerely yours,

Nesta L. McEwen

Secretary

Enclosure(s)

SECURITY AGREEMENT

JAN 27 1988 11:00 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT made and entered into this 28th day of January, 1988, between CITIZENS AND SOUTHERN TRUST COMPANY (SOUTH CAROLINA), N.A., as Trustee under that certain Trust Agreement dated as of December 17, 1977, and amended January 28, 1988 (hereinafter called "Borrower") and CAROLINA FIRST BANK, Greenville, South Carolina (hereinafter called "Bank")

The parties hereto agree as follows:

(1) Borrower is indebted to Bank in the amount of One Hundred Fifty Thousand and no/100 (\$150,000.00) Dollars as evidenced by its Promissory Note dated January 28, 1988 (hereinafter called "the Note").

(2) Borrower hereby grants to Bank to secure Borrower's liability under the Note, a security interest in:

28 seventy ton, fifty foot-six inch box cars, originally bearing car numbers NSL102270 through NSL102297 (inclusive), and now bearing car numbers: NSL102278; NSL102279; NSL102284; MISS102281; MISS102295; WLO502800; WLO502825; WLO502826; WLO502873; PAL701131; PAL701145; ICG501574; ICG501575; ICG501646-501660 inclusive.

(3) So long as Borrower shall have any liability to Bank, Borrower will not, without the prior written consent of Bank, grant any security interest in or permit any lien or encumbrance to attach to any of the foregoing collateral.

(4) Borrower represents and warrants that it is the owner of the box cars free and clear of all liens and encumbrances except the lien of Bank.

(5) Borrower will cause each box car described herein to be kept numbered with the identifying number as set out in this Agreement and will cause each such unit to be plainly, distinctly, permanently and conspicuously marked in letters not less than one inch (1") in height, the words "Ownership Subject to Documents Recorded Pursuant to the Interstate Commerce Act", or other appropriate words with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security interest of the Bank to such box cars and its rights under this Agreement. Borrower will not permit any such box car to be placed in operation unless each side of such box cars shall have been so marked and will replace promptly any such marking or renew any such marking, which may be removed, defaced or destroyed. The Borrower will not permit the identifying numbers of any such box cars to be changed except in accordance with a statement of new numbers to be substituted

therefor, which statement previously shall have been filed with the Bank by the Borrower and promptly filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

(6) In the event that any box car shall be or become worn out, lost, stolen, destroyed or irreparably damaged from any cause whatsoever during the continuance of this Agreement (hereinafter called a Casualty Occurrence) the Borrower shall replace the unit at its own cost with other operable standard gauge rolling stock equal in value to the depreciated value and of substantially as good material and construction as that worn out, lost, stolen, destroyed or irreparably damaged, and shall give the Bank or its assignee an opinion of counsel to the effect that this Agreement constitutes a first lien on such replacement box car, and shall execute, deliver and file and record such further document as may be reasonably requested by the Bank or its assignee in support of such opinion, or the Borrower shall promptly pay to the Bank a sum equal to three and fifty-eight hundredths (3.58) percent of the balance due on said note with interest accrued thereon to the date of such payment, in which even all succeeding payments under said note shall be correspondingly reduced.

(7) Borrower will at all times maintain each box car in good order and repair at his own expense.

(8) During the term of this Agreement, the Borrower will comply, and will cause any lessee or operator of the boxcars to comply, in all respects with all laws of the jurisdictions in which the box cars may be operated, with all standards recommended by the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the box cars to the extent that such laws and rules affect the operation or use of the box cars. In the event that such laws or rules require the alteration of the box cars, the Borrower will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however that the Borrower may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Bank, adversely affect the property or rights of the Bank hereunder.

(9) An event of default shall occur in case:

(a) The Borrower shall fail to pay in full, when due and payable any sum payable by the Borrower under said note and such failure shall continue for more than ten (10) days after such payment shall have become due and payable or

(b) Borrower shall, for more than 30 days after the Bank shall have demanded in writing performance thereof, fail

or refuse to comply with any covenant, agreement, term or provision of the Note or this Agreement on its part to be kept or performed or to make provision satisfactory to the Bank for such compliance.

(10) At any time after the occurrence of such event of default the Bank may:

(a) At its option, declare (hereinafter called a Declaration of Default) the entire unpaid balance of the Note, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and the Bank shall thereupon be entitled to recover judgment in any court having jurisdiction over the Borrower or its property, in addition to its other remedies provided for herein, for said amount payable, with interest as aforesaid, together with attorney's fees and expenses incurred to recover such judgment, and any other amounts due and owing hereunder, and to collect such judgment out of any property of the Borrower wherever situated;

(b) Take or cause to be taken by its agent or agents immediate possession of the box cars, or any unit thereof, without liability to return to the Borrower any sums therefor paid and free from all claims whatsoever, except as hereinafter in this subparagraph expressly provided, and remove the same from possession and use of Borrower or its lessors or assignees with or without process of law.

In case the Bank shall rightfully demand possession of the box cars in pursuance of this Agreement and shall designate a point or points for the delivery of the box cars to the Bank, Borrower shall at its own expense, forthwith and in the usual manner, cause the box cars to be moved to such point or points as shall be designated by the Bank and shall there deliver the box cars or cause them to be delivered to the Bank. At the option of the Bank, the Bank may keep the box cars in storage for a reasonable time until the Bank shall have leased, sold or otherwise disposed of the same. For such purpose the Borrower agrees to pay all such charges for rent, storage and the necessary facilities at any point or points selected by the Bank. The Borrower hereby expressly waives any and all claims against the Bank and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the box cars in any reasonable manner so long as such retaking by the Bank shall be undertaken with reasonable care.

After the entire indebtedness under said note shall have been declared immediately due and payable as hereinabove provided (unless such Declaration has been rescinded), the Bank with or without retaking possession thereof at its election and upon ten days' notice to the Borrower and to any other persons to whom the law may require notice of the time and place, may sell the box cars, or any unit thereof, free from any and all claims of the Borrower or any other party claiming by, through or under

the Borrower at law or in equity, at public or private sale and with or without advertisement as the Bank may determine; provided, however, that prior to such sale or prior to the making of a contract of such sale, the Borrower may make full payment of the entire indebtedness under said note, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Bank in retaking, holding and preparing the box cars for disposition and arrangement for the sale and the Bank's reasonable attorneys' fees. The proceeds of any such sale, less the attorneys' fees and any other expenses incurred by the Bank in taking possession of, removing, storing and selling the box cars shall be credited on the amount due to Borrower under the provisions of this Agreement and the Note.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Bank may specify, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of said sale the property to be sold, and in general in such manner as the Bank may determine. The Bank may itself bid for and become the purchaser of the box cars, or any unit thereof so offered for sale.

Each and every power and remedy hereby specifically given to the Bank shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be expressly limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others except as such exercise may be limited herein. No delay, except where time limits are expressly provided, or omission of the Bank in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

All sums of money realized by the Bank from the sale shall be applied, first to the payment of the expenses and liabilities of the Bank herein undertaken to be paid, second to the payment of interest on the unpaid balance under the Note accrued and unpaid and third to the payment of the unpaid principal under the Note. If, after applying as aforesaid all sums of money realized by the Bank under the remedies herein provided there shall remain any amount due to Bank under the provisions of this Agreement, borrower shall have no personal liability for such deficiency and Bank shall look solely to said cars to satisfy obligations of Borrower under this Agreement and under the Note.

If, after applying as aforesaid all sums realized by the Bank there shall remain a surplus in the possession of the Bank, such surplus shall be paid to the Borrower.

Borrower will pay all reasonable expenses, including attorney fees, incurred by the Bank in enforcing its remedies under the terms of this Agreement. In the event that the Bank shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit Bank may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

(11) Borrower shall furnish to Bank quarterly operating statements with respect to the box cars commencing April 15, 1988.

(12) Borrower shall pay all costs incident to the preparation execution, acknowledgement and recordation of this Agreement.

(13) Any notice hereunder shall be deemed to be properly served if delivered or mailed as follows:

(a) to Borrower: Citizens and Southern Trust
Company (South Carolina), N.A.
Dept. 5048
P.O. Box 727
Columbia, S.C. 29222-5048
Attention: M. Franklin Sanders

(b) to Bank: P.O. Box 1029
Greenville, S.C. 29602

or at such other address as may have been furnished in writing by any party to the other parties hereto.

(14) The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of South Carolina, provided, however, that the parties shall be entitled to all rights conferred by the Interstate Commerce Act and by the recordation provisions of any other act pursuant to which this Agreement is recorded.

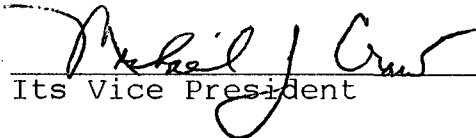
(15) This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same contract which shall be sufficiently evidenced by any such original counterpart.

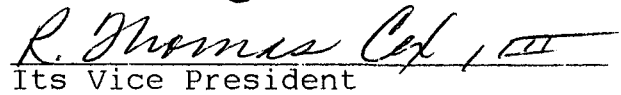
(16) Notwithstanding any provision to the contrary herein contained, Borrower shall have no personal liability hereunder except for its interest in the trust estate or its interest in the boxcars.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due authority, have caused this Agreement to be duly signed in their respective names as of the date first above written.

CITIZENS AND SOUTHERN TRUST COMPANY
(SOUTH CAROLINA), N.A., as Trustee
under that certain Trust Agreement
dated December 17, 1977 and amended
January 28, 1988

By:


Its Vice President


Its Vice President

CAROLINA FIRST BANK

By:


S.V.P.

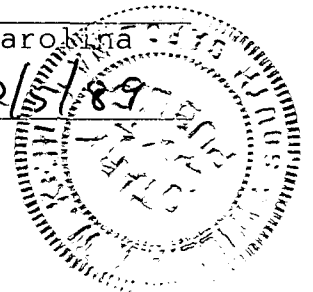
STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

On this 28th day of January, 1988, before me personally appeared Walter M. Cart, Jr. to me personally known, who, being by me duly sworn says that he is Senior Vice President of Carolina First Bank, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of such corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

W. M. Cart, Jr.

Notary Public for South Carolina

My Commission Expires: 12/5/89



STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

On this 28th day of January, 1988, before me personally appeared R. Thomas Cox III, to me personally known, who being by me duly sworn, says that he is Vice President of Citizens and Southern Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

R. Thomas Cox III

Notary Public for South Carolina

My Commission Expires: 12/5/89

